

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	File No. EB-06-TC-3543
)	
Dialaround Enterprises Inc.)	NAL/Acct. No. 200832170003
)	
)	FRN No. 0004938064

ORDER

Adopted: August 12, 2010

Released: August 13, 2010

By the Acting Chief, Telecommunications Consumers Division, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) of the Federal Communications Commission (“FCC” or “Commission”) and Dialaround Enterprises Inc. (“Dialaround”). The Consent Decree terminates an investigation and Notice of Apparent Liability for Forfeiture (“NAL”) by the Bureau against Dialaround for possible violation of section 222 of the Communications Act of 1934, as amended (“Communications Act” or “Act”), 47 U.S.C. § 222, and section 64.2009(e) of the Commission’s rules, 47 C.F.R. § 64.2009(e), regarding Dialaround’s apparent failure to file a compliant annual customer proprietary network information (“CPNI”) certification pursuant to 64.2009(e).

2. The Bureau and Dialaround have negotiated the terms of the Consent Decree that resolve this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree, terminating the investigation and cancelling the NAL.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Dialaround possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to sections 4(i) and 503(b) of the Communications Act of 1934, as amended,¹ and sections 0.111 and 0.311 of the Commission’s Rules,² the Consent Decree attached to this Order **IS ADOPTED**.

¹ 47 U.S.C. § 154(i), 503(b).

² 47 C.F.R. §§ 0.111, 0.311.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED** and the Notice of Apparent Liability for Forfeiture **IS CANCELLED**.

FEDERAL COMMUNICATIONS COMMISSION

Kurt A. Schroeder
Acting Chief
Telecommunications Consumers Division
Enforcement Bureau

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File No. EB-06-TC-3543
)	
Dialaround Enterprises Inc.)	NAL/Acct. No. 200832170003
)	
)	FRN No. 0004938064

CONSENT DECREE

1. The Enforcement Bureau (“Bureau”) and Dialaround Enterprises Inc. (“Dialaround” or the “Company”), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau’s investigation into Dialaround’s possible noncompliance with the requirements of section 222 of the Communications Act of 1934, as amended (“Communications Act” or “Act”), 47 U.S.C. § 222, and section 64.2009(e) of the Commission’s rules, 47 C.F.R. § 64.2009(e).

I. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
- (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
 - (b) “Adopting Order” means an Order of the Commission adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
 - (d) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
 - (e) “Compliance Plan” means the program described in this Consent Decree at paragraph 10.
 - (f) “Effective Date” means the date on which the Commission releases the Adopting Order.
 - (g) “Investigation” means the investigation commenced by the Bureau’s November 20, 2006, letter of inquiry¹ regarding whether Dialaround violated the requirements of section 222 of the Communications Act and section 64.2009(e) of the Commission’s rules by failing to maintain a compliant customer proprietary network information (“CPNI”) certification.²

¹See Letter from Marcy Greene, Deputy Division Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, to Thomas D’Aurio, Vice President of Finance, Dialaround Enterprises Inc. (November 20, 2006) (“November 20 LOI”).

² 47 C.F.R. 64.2009(e).

- (h) “Dialaround” means Dialaround Enterprises Inc. and its predecessors-in-interest and successors-in-interest.
- (i) “NAL” means Notice of Apparent Liability for Forfeiture.
- (j) “Parties” means Dialaround and the Bureau.
- (k) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

II. BACKGROUND

3. Section 222 imposes the general duty on all telecommunications carriers to protect the confidentiality of their subscribers’ proprietary information.³ The Commission has issued rules implementing section 222 of the Act.⁴ The Commission required carriers to establish and maintain a system designed to ensure that carriers adequately protected their subscribers’ CPNI. Section 64.2009(e) is one such requirement. Pursuant to section 64.2009(e):

A telecommunications carrier must have an officer, as an agent of the carrier, sign a compliance certificate on an annual basis stating that the officer has personal knowledge that the company has established operating procedures that are adequate to ensure compliance with the rules in this subpart. The carrier must provide a statement accompanying the certificate explaining how its operating procedures ensure that it is or is not in compliance with the rules in this subpart.⁵

4. The Bureau has been investigating the adequacy of procedures implemented by

³ Section 222 of the Communications Act provides that: “Every telecommunications carrier has a duty to protect the confidentiality of proprietary information of, and relating to, other telecommunications carriers, equipment manufacturers, and customers, including telecommunication carriers reselling telecommunications services provided by a telecommunications carrier.” 47 U.S.C. § 222.

⁴ *In the Matter of Implementation of the Telecommunications Act of 1996: Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information and Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended*, Order and Further Notice of Proposed Rulemaking, 13 FCC Rcd 8061 (1998) (“CPNI Order”); *see also In the Matter of Implementation of the Telecommunications Act of 1996: Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information and Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended*, Order on Reconsideration and Petitions for Forbearance, 14 FCC Rcd 14409 (1999); *In the Matter of Implementation of the Telecommunications Act of 1996: Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information and Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended; 2000 Biennial Regulatory Review -- Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers*, Third Report and Order and Third Further Notice of Proposed Rulemaking, 17 FCC Rcd 14860 (2002).

⁵ 47 C.F.R. § 64.2009(e). This rule has been amended since issuance of the NAL against Dialaround. The quoted rule is cited as it was at the time of the alleged violation.

telecommunications carriers to ensure confidentiality of their subscribers' CPNI, based on concerns regarding the apparent availability to third parties of sensitive, personal subscriber information. For example, some companies, known as "data brokers," have advertised the availability of records of wireless subscribers' incoming and outgoing telephone calls for a fee.⁶ Data brokers have also advertised the availability of call information that relates to certain landline toll calls.⁷

5. As part of its inquiry into these issues, the Bureau sent a LOI to Dialaround on November 20, 2006, directing it to produce the compliance certificates for the previous five (5) years that it had prepared pursuant to section 64.2009(e) of the Commission's rules.⁸ On December 1, 2006, Dialaround submitted a document in response to the Bureau's LOI, and a letter claiming that Dialaround "does not have access to any CPNI" but that it filed its certificate out of an abundance of caution.⁹ On February 12, 2007, the Bureau sent a supplemental LOI to Dialaround directing it to answer questions regarding its assertion that it does not have access to CPNI.¹⁰ Dialaround submitted a response to the Bureau's supplemental LOI on February 28, 2007,¹¹ and supplemented that response on March 14, 2007.¹² The Bureau concluded that the document submitted by Dialaround did not satisfy the requirements set forth in the rule and that Dialaround's explanation regarding its access to CPNI was not persuasive.¹³ Finally, the Bureau concluded that Dialaround failed to provide any compliance certificates for the years preceding the most recent one, executed February 6, 2006. Accordingly, on November 29, 2007, the Bureau released an NAL against Dialaround proposing a monetary forfeiture of \$100,000 for its apparent failure to comply with section 64.2009(e) of the Commission's rules,¹⁴ and ordered the Company either to pay the proposed forfeiture or file a written response within thirty (30) days of the NAL release date stating why the proposed forfeiture should be reduced or canceled. Subsequently, Dialaround and the Bureau entered into settlement discussions.

⁶ See, e.g. <http://www.epic.org/privacy/iei/>.

⁷ See *id.*

⁸ See note 1, *supra*.

⁹ Letter from Thomas D'Aurio, Vice President of Finance, Dialaround Enterprises Inc., to Marcy Greene, Deputy Division Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission (December 1, 2006) ("response to LOI").

¹⁰ Letter from Marcy Greene, Deputy Division Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, to Thomas D'Aurio, Vice President of Finance, Dialaround Enterprises Inc. (February 12, 2007) ("supplemental LOI").

¹¹ Letter from Thomas D'Aurio, Vice President of Finance, Dialaround Enterprises Inc., to Marcy Greene, Deputy Division Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission (February 28, 2007) ("supplemental response").

¹² Letter from Thomas D'Aurio, Vice President of Finance, Dialaround Enterprises Inc., to Marcy Greene, Deputy Division Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission (March 14, 2007) ("second supplemental response").

¹³ *In the Matter of Dialaround Enterprises Inc.*, Notice of Apparent Liability for Forfeiture, 22 FCC Rcd 20673 (Enf. Bur. rel. November 29, 2007) ("NAL").

¹⁴ *Id.*

III. TERMS OF AGREEMENT

6. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

7. **Jurisdiction.** Dialaround agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

8. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the date on which the FCC releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other Order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau Order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Bureau Order.

9. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its investigation and to cancel the NAL. In consideration for the termination of said investigation and cancellation of the NAL, Dialaround agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that, in the absence of new material evidence, the Bureau will not use the facts developed in this investigation through the Effective Date of the Consent Decree, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Dialaround concerning the matters that were the subject of the investigation. The Bureau also agrees that it will not use the facts developed in this investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Dialaround with respect to Dialaround's basic qualifications, including its character qualifications, to be a Commission licensee or authorized common carrier or hold Commission authorizations.

10. **Compliance Plan.** Dialaround no longer offers telecommunications services. For purposes of settling the matters set forth herein and to help ensure compliance with the Commission's CPNI rules, Dialaround agrees that if it offers telecommunications services in the future, it will take all measures necessary to achieve full compliance with Section 64.2009(e) of the Commission's rules. If Dialaround offers telecommunications services, it will, within thirty (30) days, train its personnel as to when they are and are not authorized to use CPNI. In addition, if Dialaround offers telecommunications services it will have an express disciplinary process in place for the unauthorized use of CPNI, within thirty (30) days. Dialaround agrees that if it offers telecommunications services in the future it will send a copy, either electronically or by regular mail, of its annual 64.2009(e) compliance certificate for each of two years following the effective date of this Consent Decree to the Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W. Room 4-C244, Washington, D.C., 20554, and must include the file number listed above. Dialaround will also send an electronic copy of its certification to other Telecommunications Consumers Division staff as directed by the Bureau Chief. This Consent Decree will expire two (2) years after the Effective Date or upon the termination of the certification requirement set forth in sections 64.2009(e) of the Commission's rules, 47 C.F.R. § 64.2009(e), whichever is earlier.

11. **Section 208 Complaints; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to

section 208 of the Act against Dialaround or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by Dialaround of the Act, the rules, or the Order.

12. **Voluntary Contribution.** Dialaround agrees that it will make a voluntary contribution to the United States Treasury in the amount of six thousand dollars (\$6,000). The contribution will be made within thirty (30) calendar days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Dialaround will also send electronic notification on the date said payment is made to Johnny.Drake@fcc.gov.

13. **Waivers.** Dialaround waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Commission issues an Adopting Order adopting the Consent Decree without change, addition, modification, or deletion. Dialaround shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Dialaround nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Dialaround shall waive any statutory right to a trial *de novo*. Dialaround hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

14. **Severability.** The Parties agree that if any of the provisions of the Adopting Order or the Consent Decree shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Adopting Order or Consent Decree, but rather the entire Adopting Order or Consent Decree shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly. In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

15. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which Dialaround does not expressly consent) that provision will be superseded by such Commission rule or Order.

16. **Successors and Assigns.** Dialaround agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

17. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's Rules and Orders.

18. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

19. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

20. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

21. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

Kurt A. Schroeder
Acting Chief
Telecommunications Consumers Division
Enforcement Bureau

Date

Thomas D'Aurio
Vice President of Finance
Dialaround Enterprises Inc.

Date